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PAGE 01

NC 54274

STAT

TOR: 131612Z NOV 76

EYES ONLY

O R 131330Z NOV 76

FM USLO PEKING

TO RUEHC/SECSTATE WASHDC IMMEDIATE 6769

INFO RUMJDH/AMCONSUL HONG KONG 4000

RUEHMO/AMEMBASSY MOSCOW 500

RUEHTP/AMEMBASSY TAIPEI 868

RUEHKO/AMEMBASSY TOKYO 1749

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C O N F I D E N T I A L PEKING 2345

EXDIS

E.O. 11652: XGDS-1

TAGS: PFDR, PINT, CH, US, TW, SU

SUBJECT: CODEL CURTIS MEETS WITH VICE FOREIGN MINISTER WANG HAI-JUNGSUMMARY. CODEL CURTIS MEETING NOVEMBER 13 WITH VICE
FOREIGN MINISTER WANG HAI-JUNG PROVIDED NO SURPRISES
EXCEPT THAT WANG DID NOT AVAIL HERSELF OF OPPORTUNITY TO
TAKE SWIPE AT DETENTE. END SUMMARY.1. IN HOUR AND FORTY MINUTE MEETING NOVEMBER 13 WITH
SENATOR CURTIS AND HIS FIVE COLLEAGUES AND AMBASSADOR
GATES, WANG HAI-JUNG PRESENTED A RATHER RELAXED AND
CONFIDENT EXTERIOR.2. ON SINO-SOVIET RELATIONS, WANG REITERATED
CHINESE IDEOLOGICAL CRITICISM OF SOVIET REVISIONISM,
BUT STATED THAT "THE DEBATE OVER PRINCIPLES NEED NOT
HINDER AND OBSTRUCT STATE-TO-STATE RELATIONS." QUESTIONED
ABOUT SOVIET TROOPS ON CHINA'S BORDER, SHE DISMISSED
THEM AS TOO SPREAD OUT TO BE A SERIOUS THREAT, AND
CLAIMED THAT ANY INVASION WOULD BE "ANNIHILATED IN THE
GREAT SEA OF A PEOPLE'S WAR." IN ANY CASE, SHE SAID,
THE SOVIET THREAT WAS DIRECTED MAINLY AGAINST THE UNITED
STATES, NOT CHINA. SHE EMPHASIZED THAT THE UNITED STATES
AND THE PRC HAVE A "VERY GREAT POINT IN COMMON" IN
COUNTERING SOVIET AMBITIONS. THROUGHOUT THE TALK, SHE
AVOIDED ANY CRITICISM OF DETENTE. SHE CHARACTERIZED THE
SOVIET UNION AS A WEAKLING, A PAPER TIGER, DUE TO ITS
INTERNAL ECONOMIC DIFFICULTIES AND ITS UNPOPULARITY
ABROAD.3. IN RESPONSE TO A QUESTION ABOUT NORMALIZATION, WANG
REPEATED THE STANDARD THREE POINTS ON TAIWAN: THE U.S.
MUST "SEVER DIPLOMATIC RELATIONS BETWEEN THE U.S. AND

C O N F I D E N T I A L

WANG Hai-jung

SUMMARY
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TAIWAN, WITHDRAW AMERICAN TROOPS FROM TAIWAN, AND
ABROGATE THE SO-CALLED DEFENSE TREATY WITH TAIWAN." SHE
STATED FURTHER THAT THE THREE PRINCIPLES ARE "INSEPARABLE
AND INDISPENSABLE. THERE CAN BE NO OTHER ALTERNATIVE.
ON THE QUESTION OF TAIWAN, WE DO NOT BELIEVE IN THE SO-
CALLED PEACEFUL TRANSITION." CHINA BASES ITSELF
ON A "FOOTING TO FIGHT." AS TO WHEN WE WILL LIBERATE
TAIWAN AND THE METHODS WE WILL ADOPT TO LIBERATE TAIWAN,
THIS IS PURELY AN INTERNAL MATTER FOR CHINA AND NO OTHER
NATION HAS THE RIGHT TO INTERFERE WHATSOEVER." HER
MOOD THROUGHOUT, HOWEVER, WAS MATTER-OF-FACT. IN RESPONSE
TO A STATEMENT ABOUT THE U.S. HOPE FOR A PEACEFUL SOLUTION,
SHE FORCEFULLY, BUT WITH A SMILE, REPEATED THE "NO
PEACEFUL TRANSITION" REFRAIN. SHE FURTHER
VOLUNTEERED THAT TAIWAN IS ONLY A "MINOR ISSUE," AND
"THE BIG ISSUE IS THE INTERNATIONAL ONE."

4. ASKED ABOUT THE PRC'S ATTITUDE TOWARD U.S. TROOPS
IN KOREA, WANG REITERATED CHINA'S "CONSISTENT STAND"
OF SUPPORT FOR THE NORTH KOREAN DEMAND FOR INDEPENDENT
AND PEACEFUL REUNIFICATION OF KOREA, FOR WITHDRAWAL OF
ALL U.S. TROOPS AND THE DISSOLUTION OF THE UNITED NATIONS
COMMAND. THE ISSUE OF KOREA SHOULD BE LEFT TO THE KOREAN
PEOPLE THEMSELVES TO SETTLE.

5. QUESTIONED ABOUT CHINESE FOREIGN POLICY
UNDER HUA KUO-FENG, SHE SAID ONLY THAT

HUA WAS LOYAL TO MAO'S REVOLUTIONARY LINE AND POLICIES
AND WOULD CARRY THEM OUT, INCLUDING THOSE IN FOREIGN
AFFAIRS. SHE DESCRIBED HUA'S SWIFT ACTION AGAINST THE
"GANG OF FOUR" AS A FULFILLMENT OF WHAT CHAIRMAN MAO
WOULD HAVE DONE HAD HE LIVED, AND REPEATED THE NOW
STANDARD STORY OF MAO'S EARLIER CRITICISM OF THE FOUR
AND HIS PERSONAL SELECTION OF HUA AS HIS SUCCESSOR.

6. FULL MEMCON WILL BE SENT BY CABLE AFTER CODEL HAS
CLEARED IT. GATES

*This offsets
somewhat her
remarks on
use of force
on Taiwan.*

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ACTION #

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PAGE 01

CABLE SEC EXOIS-
NC 54851

TOR: 151118Z NOV 76 "EYES ONLY"

O R 150705Z NOV 76
FM USLO PEKING
TO RUEHC/SECSTATE WASHDC IMMEDIATE 6774
INFO RUMJDH/AMCONSUL HONG KONG 4007
RUEHMO/AMEMBASSY MOSCOW 5020
RUEHTP/AMEMBASSY TAIPEI 871
RUEHKO/AMEMBASSY TOKYO 1753
BT
CONFIDENTIAL PEKING 2353
EXDIS

LI Hsien-nien

SUMMARY

E, O, 11652: XGDS-1

TAGS: PEOR, ECON, CH, US, UR, TW

SUBJ: CODEL CURTIS MEETING WITH LI HSIEN-NIEN

REF: PEKING 2345

1. IN AN HOUR AND A HALF MEETING NOVEMBER 14 WITH CODEL CURTIS, VICE PREMIER LI HSIEN-NIEN TOOK A RELAXED VIEW OF US-CHINA RELATIONS, AVOIDED ALL MENTION OF CHINA'S CONDITIONS FOR A TAIWAN SETTLEMENT, AND DID NOT MENTION DETENTE. HE DESCRIBED CHINA'S MILITARY CONFRONTATION WITH THE SOVIET UNION IN FAMILIAR TERMS, SAYING THAT THE SOVIET TROOPS ON THE BORDER WERE DIRECTED PRIMARILY AGAINST THE U.S. AND JAPAN.

2. ASKED ABOUT THE PROSPECTS FOR U.S.-PRC TRADE, LI SAID THAT CHINA NEEDED MANY THINGS, BUT WOULD IMPORT ONLY WHAT IT COULD PAY FOR. CHINA HAD ONCE BEEN INDEBTED TO THE SOVIET UNION, AND WOULD NEVER AGAIN INCUR FOREIGN INDEBTEDNESS, HE ALSO MENTIONED HIGH AMERICAN TARIFFS AS AN ADDITIONAL BARRIER TO TRADE.

3. DISCUSSING CHINA'S ECONOMY, LI REFERRED EXPLICITLY TO THE FOUR MODERNIZATIONS ADVOCATED BY CHOU EN-LAI IN HIS REPORT TO THE FOURTH NPC. HE REAFFIRMED THE PRIORITIES AGRICULTURE, THEN LIGHT INDUSTRY, THEN HEAVY INDUSTRY, ASKED ABOUT THE FIFTH FIVE-YEAR PLAN, HE SAID IT WAS "NOT YET MATURED AND STILL UNDER DISCUSSION."

HE ADDED, "IN DISCUSSING IT WE MAY FIND SOME NEW PROBLEMS AND REVISE THE PLAN."

4. SEVERAL SENATORS IN THE CURTIS PARTY PRESSED LI ON THE DESIRABILITY OF INCREASING EXCHANGES IN ADVANCE OF NORMALIZATION IN ORDER TO BUILD PUBLIC

BAYH asked
these questions
about the economy
at my request.

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TOR:151118Z NOV 76

SUPPORT IN THE U.S. FOR THE STEP. LI WAS NOT RESPONSIVE. HE REITERATED THAT CHINESE LEADERS WOULD NOT VISIT WASHINGTON AS LONG AS AN EMBASSY OF THE "TAIWAN CLIQUE" REMAINED THERE.

5, LI CITED VICE FOREIGN MINISTER WANG HAI-JUNG'S STATEMENT DURING HER EARLIER MEETING WITH THE GROUP THAT THE MAJOR ASPECT OF SINO-U.S. RELATIONS IS THE INTERNATIONAL SITUATION AND THE MINOR QUESTION IS TAIWAN. HE THEN SAID, "I THINK SHE PUT THE QUESTION VERY WELL. NEVERTHELESS TAIWAN REMAINS AN ISSUE. I THINK OUR AMERICAN FRIENDS, ESPECIALLY MR. GATES, HOW OUR VIEWS VERY WELL SO I WON'T DISCUSS THIS ANY MORE."

6, MEMCON WILL BE SENT BY CABLE AFTER CODEL HAS CLEARED IT. GATES

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PAGE 01

NC 56165

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TOR:161707Z NOV 76

O R 160909Z NOV 76
FM USLO PEKING
TO RUEHC/SECSTATE WASHDC IMMEDIATE 6787
INFO RUMJDH/AMCONSUL HONG KONG 4014
RUEHMO/AMEMBASSY MOSCOW 503
RUEHTP/AMEMBASSY TAIPEI 874
RUEHKO/AMEMBASSY TOKYO 1758

TRANSCRIPT

BT
C O N F I D E N T I A L SECTION 1 OF 7 PEKING 2368

EXDIS

E.O. 11652: XGDS-1
TAGS: PFOR, ECON, CH, US, UR, TW, OREP (CURTIS, CARL)
SUBJECT: TRANSCRIPT OF LI HSIEN-NIEN/CODEL CURTIS CONVERSATION
REF: PEKING 2353

1. THERE FOLLOWS NEARLY VERBATIM TRANSCRIPT, CLEARED BY
SENATOR CURTIS, OF CONVERSATION BETWEEN CODEL CURTIS AND
PRC VICE PREMIER LI HSIEN-NIEN ON NOVEMBER 14, 4:45 -
6:15 P.M., AT THE GREAT HALL OF THE PEOPLE. AMERICANS
PRESENT WERE:

CODEL:

SENATOR AND MRS. CARL CURTIS
SENATOR AND MRS. BIRCH BAYH
SENATOR AND MRS. MILTON YOUNG
SENATOR AND MRS. ERNEST HOLLINGS
SENATOR AND MRS. TED STEVENS
SENATOR AND MRS. BENNETT JOHNSON
MR. AND MRS. ROBERT WOLTHUIS
MR. TERRY HOWE
MR. RICHARD HART

USLO:

AMBASSADOR GATES
MR. RICHARD BOCK
PRINCIPAL CHINESE PRESENT, IN ADDITION TO VICE
PREMIER LI, WERE:
VICE FOREIGN MINISTER WANG HAI-JUNG
TANG WEN-SHENG, DEPUTY DIRECTOR, AMERICAN AND OCEANIAN
DEPARTMENT, MFA
KO PO-NIEN, VICE PRESIDENT, CHINESE PEOPLE'S INSTITUTE
OF FOREIGN AFFAIRS (CPIFA)
KANG TAI-SHA, DEPUTY SECRETARY-GENERAL, CPIFA.

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2. LI: WELCOME TO OUR FRIENDS.
 CURTIS: WE ARE DELIGHTED TO BE HERE.
 LI: TODAY YOU VISITED THE GREAT WALL?
 CURTIS: WE HAVE READ OF IT THROUGH THE YEARS. FOR MANY OF US THIS IS OUR FIRST VISIT TO CHINA AND WE WERE DELIGHTED TO VISIT THE GREAT WALL.
 LI: IT'S A PLACE OF HISTORICAL INTEREST. I WONDER WHETHER ANY OF YOU HAVE BEEN TO CHINA BEFORE.
 CURTIS: SENATOR STEVENS, TELL US OF YOUR FIRST TRIP TO CHINA.
 STEVENS: I WAS IN THE 14TH AIR FORCE, STATIONED IN KUNMING AND WAS HERE IN PEKING IN 1945 RIGHT AFTER THE WAR ENDED.
 LI: THAT IS UNDER CHENNAULT?
 STEVENS: YES, I SERVED WITH GENERAL CHENNAULT.
 LI: YOU WERE IN CHINA DURING WORLD WAR II. AT THAT TIME YOU HAD A TRANSPORT TEAM.
 STEVENS: I WAS A PILOT. I FLEW TRANSPORT PLANES INTO SIAN, HANKOW, KWEILIN, ALL OVER THE COUNTRY.
 LI: HOW LONG SINCE YOU ARRIVED IN CHINA?
 CURTIS: WE ARRIVED LAST MONDAY, HAD A DELIGHTFUL STAY IN SHANGHAI, TOOK THE TRAIN TO NANKING, ENJOYED OUR STAY THERE OF TWO NIGHTS AND THEN HAD A VERY PLEASANT TRAIN RIDE HERE. WE HAVE BEEN TREATED WONDERFULLY.
 LI: SO YOU ARRIVED THE 8TH OF NOVEMBER. IN SHANGHAI DID YOU READ THE BIG CHARACTER POSTERS?
 CURTIS: WE COULDN'T READ THEM OURSELVES, BUT OUR GUIDES TOLD US ABOUT SOME OF THEM.
 LI: YOU HAVE ARRIVED IN CHINA AT A TIME THAT THE CENTRAL COMMITTEE HAS MADE THE DECISION TO APPOINT HUA KUO-FENG AS CHAIRMAN OF THE CENTRAL COMMITTEE AND OF THE MILITARY COMMISSION OF THE CENTRAL COMMITTEE; IT IS ALSO AT THE TIME THAT WE HAVE EXPLAINED THE SCHEMES OF THE GANG OF FOUR -- WANG HUNG-WEN, CHANG CHUN-CHIAO, CHIANG CHING, AND YAO WEN-YUAN. THE DECISION WAS MADE IN OCTOBER. THUS, YOU MUST HAVE SEEN MANY BIG CHARACTER POSTERS IN SHANGHAI.

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TOR:161708Z NOV 76

O R 160909Z NOV 76

FM USLO PEKING

TO RUEHC/SECSTATE WASHDC IMMEDIATE 6788

INFO RUMJDH/AMCONSUL HONG KONG 4015

RUEHMO/AMEMBASSY MOSCOW 504

RUEHTP/AMEMBASSY TAIPEI 875

RUEHKO/AMEMBASSY TOKYO 1759

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C O N F I D E N T I A L SECTION 2 OF 7 PEKING 2368

EXDIS

CURTIS: YES, WE DID.

LI: THAT WAS A MAJOR EVENT IN CHINA. THIS YEAR FIRST PREMIER CHOU EN-LAI PASSED AWAY, THEN CHU TEH, THE CHAIRMAN OF THE NATIONAL PEOPLE'S CONGRESS, AND THEN OUR GREAT LEADER AND TEACHER CHAIRMAN MAO TSE-TUNG.

CURTIS: WE FOLLOW ALL THE NEWS WE GET FROM CHINA BECAUSE WE VALUE THE FRIENDSHIP OF YOUR GREAT COUNTRY. WE WISH TO EXPRESS OUR CONDOLENCES ON THE LOSS OF YOUR LEADERS, PARTICULARLY CHAIRMAN MAO. ALSO, WE BRING GREETINGS TO YOU FROM PRESIDENT FORD.

LI: THANK YOU. WHEN PRESIDENT FORD VISITED CHINA LAST YEAR, I MET HIM. PLEASE CONVEY MY GREETINGS TO HIM.

CURTIS: THANK YOU, I WILL DO SO. A FEW DAYS BEFORE I LEFT THE U.S. I HAD A CALL FROM FORMER PRESIDENT NIXON AND HE ASKED THAT I CONVEY HIS GREETINGS TO CHINA AND THE CHINESE PEOPLE.

LI: PLEASE CONVEY MY THANKS TO MR. NIXON.

CURTIS: YOU'LL BE PLEASED TO KNOW THAT WHEN THE ANNOUNCEMENT OF OUR VISIT WAS MADE, ALL OF US EXPERIENCED A TREMENDOUS RESPONSE FROM OUR PEOPLE WHO EXPRESSED A GREAT INTEREST IN CHINA. MY NEBRASKA CONSTITUENTS WERE DELIGHTED THAT WE WERE MAKING THIS TRIP.

LI: YOUR STATE HAS A HIGHLY DEVELOPED AGRICULTURE.

CURTIS: YES, WE ARE A GREAT AGRICULTURAL STATE. A NUMBER OF THE SENATORS HERE REPRESENT AGRICULTURAL STATES AND WE HAVE BEEN TREMENDOUSLY IMPRESSED BY THE INDUSTriousNESS OF YOUR AGRICULTURAL WORKERS.

LI: SENATOR YOUNG, YOU ARE ALSO FROM AN AGRICULTURAL STATE, I BELIEVE.

YOUNG: I'M A FARMER MYSELF AND MY THREE SONS FARM. ONE OF THE AMAZING THINGS TO ME IS THAT YOUR LAND HAS BEEN PRODUCING FOR 2,000 YEARS OR MORE AND PRODUCES JUST AS WELL AS OURS WHICH HAS BEEN PRODUCING FOR ONLY A LITTLE OVER ONE HUNDRED YEARS.

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TOR:161700Z NOV 76

LI: IN THE PAST 2,000 YEARS OR MORE WE WERE UNDER FEUDAL RULE AND PRODUCTION WAS RESTRAINED. AFTERWARDS, THERE WAS AGGRESSION BY FOREIGN IMPERIALIST STATES SO OUR AGRICULTURE DID NOT DEVELOP. BEFORE LIBERATION (IN 1949) PRODUCTION WAS BACKWARD IN CHINA AND NOT ONLY DRAFT ANIMALS BUT ALSO HUMAN BEINGS HAD TO PULL PLOWS. THERE WAS THE RUTHLESS PLUNDER BY LANDLORDS AND BUREAUCRATIC-CAPITALISTS, AS WELL AS BY IMPERIALISTS. SO PEASANTS

AT THAT TIME WERE IN A DIRE PLIGHT. IT WAS NOT SURPRISING THAT SEVERAL MILLION PEASANTS STARVED TO DEATH. THAT WAS THE SITUATION DURING THE FEUDAL DYNASTIES AND UNDER CHIANG KAI-SHEK RULE. YOU MIGHT VERY WELL STUDY WHY CHIANG KAI-SHEK FELL, THERE MUST BE SOME REASONS BEHIND IT. IT WAS BECAUSE HE OFFENDED THE MAJORITY OF THE PEOPLE, ABOVE ALL HE OFFENDED THE PEASANTS AND WORKERS. NOW IN CHINA, WITH SUCH A VAST TERRITORY AND 800 MILLION PEOPLE, WE HAVE SOLVED THE FOOD PROBLEM IN THE MAIN, SO PEOPLE WON'T STARVE TO DEATH OR DIE OF COLD. THIS WAS THE GREAT ACHIEVEMENT MADE UNDER THE LEADERSHIP OF CHAIRMAN MAO AND BY RELYING ON THE EFFORTS OF THE BROAD MASSES OF PEOPLE. BUT WE ARE NOT SATISFIED. JUST NOW I SAID WE HAD SOLVED THE FOOD PROBLEM IN THE MAIN. IT IS NOT YET COMPLETELY SOLVED AND WE MUST CONTINUE OUR EFFORTS. WE JUST HAVE SUFFICIENT FOOD GRAIN TO FEED OUR PEOPLE. WE HAVE SOME TO EXPORT BUT WE ALSO IMPORT SOME. THE AMOUNT IS LIMITED COMPARED TO YOURS. WE EXPORT ONE OR TWO MILLION TONS AND IMPORT ABOUT THE SAME. WE MUST RELY ON OUR OWN EFFORTS AND RUN EVERYTHING WITH OUR OWN STRENGTH. CURTIS: I WISH TO COMEND YOU ON YOUR GREAT PROGRESS, AND ON YOUR DETERMINATION TO BE SELF-SUFFICIENT IN FOOD. YOU HAVE DONE A GREAT JOB. I UNDERSTAND YOUR EXPORTS INCLUDE SOME RICE. IS THAT RIGHT?

LI: WE EXPORT SOME RICE AND SOY BEANS.

CURTIS: WHAT DO YOU IMPORT?

LI: A CERTAIN AMOUNT OF WHEAT, ALSO SOME FOOD GRAINS FROM YOUR COUNTRY.

CURTIS: WHILE WE COMMEND YOUR DETERMINATION TO BE SELF-SUFFICIENT IN FOOD GRAIN, IF YOU HAVE TO BUY ANY, PLEASE COME TO US. SENATOR YOUNG IS A WHEAT FARMER AND SO IS SENATOR BAYH.

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TOR:161708Z NOV 76

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FM USLO PEKING

TO RUEHC/SECSTATE WASHDC IMMEDIATE 6789

INFO RUMJDH/AMCONSUL HONG KONG 4016

RUEHMO/AMEMBASSY MOSCOW 505

RUEHTP/AMEMBASSY TAIPEI 876

RUEHKO/AMEMBASSY TOKYO 1760

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C O N F I D E N T I A L SECTION 3 OF 7 PEKING 2368

EXDIS

LI: BUT WE DON'T HAVE ENOUGH MONEY.

CURTIS: THEN WE MUST BUY SOMETHING FROM YOU. DO YOU HAVE SOME OIL TO SELL US?

LI: WE ARE JUST SELF-SUFFICIENT IN OIL. OUR SURPLUS IS NOT MUCH. OF COURSE WE HAVE BIG OIL DEPOSITS.

CURTIS: WE UNDERSTAND THE POTENTIAL IS VERY GREAT.

LI: YES, YOU'RE RIGHT. FURTHER EFFORTS SHOULD BE MADE FOR EXPLORATION. OUR OIL INDUSTRY IS STILL VERY YOUNG AND IN THE PAST WE HAD VERY LITTLE. IN 1960 WE BEGAN TO HAVE OUR OWN OIL INDUSTRY. BUT WE HAD TO IMPORT OIL FROM OTHERS, ESPECIALLY FROM OUR NEIGHBOR TO THE NORTH WHO TRIED TO STRANGLE US.

PERHAPS YOU KNOW WHAT I MEAN BY OUR NEIGHBOR TO THE NORTH. WE'VE HAD BAD RELATIONS.

CURTIS: WE DON'T THINK THEY'RE VERY NEIGHBORLY.

LI: THEY SEEK HEGEMONY.

CURTIS: THE MAJOR REASON THE U.S. SPENDS SO MUCH TO STAY STRONG MILITARILY IS THAT WE FEEL THAT WILL RETARD ANY CHANCE THAT THE SOVIET UNION WILL TRY AGGRESSION.

LI: THE SOVIETS HAVE BIG AMBITIONS, AND WOULD LIKE TO HAVE THE WHOLE GLOBE. BUT THEY ARE UNABLE TO ACHIEVE THAT BECAUSE THEIR STRENGTH IS NOT THAT GREAT. POLITICALLY, THEY SEEK HEGEMONY NO MATTER WHAT TRICKS OR FINE WORDS THEY USE, THEY WILL EVENTUALLY BE EXPOSED BY THE PEOPLE OF THE WORLD. THEIR SEEKING HEGEMONY MAKES THEM THE ENEMY OF THE WORLD'S PEOPLE. AT HOME THERE IS LOPSIDED DEVELOPMENT IN THE SOVIET ECONOMY, THERE IS NOT ENOUGH FOOD TO EAT, NOT ENOUGH FOOD GRAINS. SOME PEOPLE SATIRIZE THE SOVIET UNION BY SAYING THE SOVIETS SOW SEEDS IN THE UKRAINE AND HARVEST CROPS IN THE U.S.

THEIR TOP PRIORITY IS THE DEVELOPMENT OF NATIONAL DEFENSE AND IN DOMESTIC POLICIES THE SOVIET UNION OPPRESSES THE MINORITY NATIONAL-

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TOR:161708Z NOV 76

ITIES AND PRACTICES FASCIST RULE. ACTUALLY THEY ARE VERY
FEEBLE.

CURTIS: YOU HAVE HAD A LONG AND DISTINGUISHED CAREER AND YOU
ARE A STUDENT OF ECONOMICS. WHY IN YOUR OPINION IS THE SOVIET
ECONOMY WEAK?

LI: I'M NO STUDENT OF ECONOMICS. I'M NOT A SCHOLAR OF ECONOMICS.
BUT I DID FIGHT IN THE WAR. IN MY VIEW, THE SOVIET UNION HAS
OFFENDED THE WORKERS AND PEASANTS AND BROAD MASSES OF THE PEOPLE,
THEREFORE THERE IS NO ENTHUSIASM ON THEIR PART. IN PLANNING, THEY
GIVE PROMINENCE TO DEVELOPMENT OF NATIONAL DEFENSE. OTHER BRANCHES
OF INDUSTRY -- MACHINE BUILDING, CHEMICALS, ETC. -- ARE LAGGING BE-
HIND. IN RELATIONS BETWEEN INDUSTRY AND AGRICULTURE, THEY
NEGLECT THE DEVELOPMENT OF AGRICULTURE. YOU CAN STUDY WHETHER OR
NOT I'M RIGHT. IN THE SOVIET UNION LINE, PRINCIPLES, AND
POLICIES ARE ALL WRONG. THEY PRACTICE REVISIONISM AND FASCISM,
AND THERE IS NO WAY TO MOBILIZE THE ENTHUSIASM OF THE WORKERS,
PEASANTS AND OTHER PEOPLE.

CURTIS: WE IN THE U.S. ARE VERY AWARE OF THE SOVIET MILITARY
THREAT AND THE GREAT SUMS THEY ARE SPENDING ON ARMAMENTS. THAT IS
WHY WE INTEND TO STAY STRONG, WHY WE MAKE SACRIFICES IN MANY
PARTS OF THE WORLD TO RESIST SOVIET AGGRESSION.

LI: WE ARE ALSO AWARE OF SOVIET MILITARY STRENGTH, BUT THEY
TALK OF DISARMAMENT EVERY DAY.

CURTIS: DO YOU THINK THE SOVIETS HAVE PLANS FOR WESTERN EUROPE IF
THEY ARE NOT RESISTED?

LI: WHAT DO YOU MEAN BY PLANS? THE SOVIETS THINK FIRST OF ALL
ABOUT EUROPE.

CURTIS: I MEAN AGGRESSIVE PLANS.

LI: SOME PEOPLE IN THE WORLD TEND TO THINK THAT THE FOCUS
OF SOVIET STRATEGY LIES IN THE EAST. CHAIRMAN MAO THOUGHT THAT
THE SOVIET STRATEGIC FOCUS WAS IN EUROPE, INCLUDING THE MIDDLE
EAST. THIS DOES NOT MEAN WE WILL SLACKEN OUR VIGILANCE. WE ARE
HEIGHTENING OUR VIGILANCE. THAT IS WHY WE DIG TUNNELS DEEP AND
STORE GRAIN EVERYWHERE. BY DIGGING TUNNELS DEEP WE MEAN IF THE
SOVIETS INVADE US WE WILL FIGHT BACK. MAO TAUGHT US TO PREPARE
AGAINST WAR, PREPARE AGAINST NATURAL DISASTERS, AND DO EVERYTHING
FOR THE PEOPLE. BY PREPARING FOR WAR WE MEAN IF THE SOVIETS ATTACK
CHINA, WE CERTAINLY WILL FIGHT BACK, BUT THE FOCUS OF SOVIET
STRATEGY REMAINS IN EUROPE INCLUDING THE MIDDLE EAST. SO WE
SUPPORT A UNITED EUROPE. BUT AT PRESENT THE

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TOR:161708Z NOV 76

EUROPEAN COUNTRIES ARE TOO DIVIDED.

CURTIS: DO YOU SUPPORT THE EFFORTS OF THE UNITED STATES TO
MAKE NATO STRONG?

LI: YOU CAN'T AFFORD TO LEAVE EUROPE, NEITHER CAN EUROPE.

CURTIS: THE US HAS ASSUMED RESPONSIBILITY IN SO MANY PLACES
IN THE WORLD AND WE EXPECT TO CONTINUE THOSE RESPONSIBILITIES. SO
WE WELCOME THE SUPPORT OF THE GREAT PEOPLE OF CHINA IN OPPOSITION
TO SOVIET AGGRESSION.

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TOR:161708Z NOV 76

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FM USLO PEKING

TO RUEHC/SECSTATE WASHDC IMMEDIATE 6790

INFO RUMJDH/AMCONSUL HONG KONG 4017

RUEHMO/AMEMBASSY MOSCOW 506

RUEHTP/AMEMBASSY TAIPEI 877

RUEHKO/AMEMBASSY TOKYO 1761

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C O N F I D E N T I A L SECTION 4 OF 7 PEKING 2368

EXDIS

LI: WE HOPE YOU WILL ESTABLISH AN EQUAL PARTNERSHIP WITH EUROPE
AND ALL OTHER PEOPLES OF THE WORLD.

CURTIS: DO THE SOVIETS HAVE MANY TROOPS ON YOUR BORDERS?
LI: THEY CLAIM TO HAVE STATIONED ABOUT ONE MILLION TROOPS ON THE
BORDER. THE BORDER EXTENDS OVER MANY THOUSANDS OF KILOMETERS. ITS
A LONG FRONT LINE; DO YOU THINK THE ONE MILLION TROOPS ARE
DIRECTED AGAINST CHINA ONLY? I THINK THEY ARE PRIMARILY DIRECTED
AGAINST THE U.S., THEN AGAINST JAPAN, AND OF COURSE ARE ALSO
DIRECTED AGAINST CHINA. ONE MILLION TROOPS IS NOT ENOUGH TO FIGHT
AGAINST CHINA, EVEN IF THEY ADDED ANOTHER ONE MILLION IT WOULD
NOT BE ENOUGH, NOR EVEN TWO MILLION MORE. IF THE SOVIETS COME,
WE'LL YIELD SOME PLACES TO THEM, THEN CLOSE OUR DOOR AND BEAT THE
DOG INSIDE THE ROOM. WHEN THE DOOR IS CLOSED, IT IS EASIER TO
DEAL WITH THE DOG AND TO BEAT THE DOG. THAT WAS THE WAY WE
FOUGHT THE JAPANESE. WE CLOSED THE DOOR AND THOROUGHLY
ANNIHILATED THE JAPANESE. AT THAT TIME, CHINA WAS RULED BY
CHIANG KAI-SHEK AND LARGE TRACTS OF TERRITORY IN THE NORTH AND
CENTRAL CHINA WERE LEFT TO US BECAUSE CHIANG KAI-SHEK RAN AWAY.
CHIANG KAI-SHEK FIRST RAN FROM THE NORTHEAST AND THE JAPANESE
OCCUPIED IT. THEN FROM NORTH, CENTRAL, SOUTH AND EAST CHINA.
CHIANG KAI-SHEK TROOPS WERE RUNNING IN FRONT OF THE JAPANESE AND
OUR TROOPS WERE RUNNING AFTER THE JAPANESE. THEY TURNED THEIR
BACKS TO THE JAPANESE BUT WE FACED THE JAPANESE. DURING THE WAR
OF RESISTANCE AGAINST THE JAPANESE, NORTH, CENTRAL, EVEN EAST AND
SOUTH CHINA WAS LED BY THE COMMUNIST PARTY. SO ONE MILLION
SOVIET TROOPS ON THE BORDER WILL BE NO MATCH FOR US.
IN FINAL ANALYSIS, THE FOCUS OF THE SOVIET STRATEGY IS EUROPE.
MY FRIENDS MAY NOT BELIEVE MY WORDS BUT FACTS WILL BEAR ME
OUT. AS FOR THE DISARMAMENT THEY ARE ALWAYS
TALKING ABOUT, WE DON'T BELIEVE IT.

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CURTIS: WHAT WOULD BE THE BEST STRATEGY IN EUROPE TO OPPOSE SOVIET AGGRESSION?

LI: I DON'T KNOW, THE SOVIET UNION WANTS TO SWALLOW UP THAT PLACE.

CURTIS: ARE YOU MAKING PROGRESS IN YOUR ARMAMENT PROGRAM?

LI: SINCE WE MUST MAKE PREPARATIONS AGAINST WAR, WE MUST MANUFACTURE SOME THINGS.

CURTIS: YOU HAVE BEEN VERY GRACIOUS IN RECEIVING US. I WOULD LIKE TO YIELD AT THIS POINT TO THE VICE CHAIRMAN OF OUR DELEGATION, SENATOR BIRCH BAYM OF THE STATE OF INDIANA. HE MIGHT WISH TO MAKE SOME COMMENTS OR ASK SOME QUESTIONS.

BAYM: MR. VICE PREMIER, THIS IS MY FIRST TIME IN YOUR COUNTRY. EARLIER

I SAW IT THROUGH THE EYES OF MY FATHER WHO WAS HERE AT THE TIME WHEN SENATOR STEVENS WAS HERE, BUT IT'S NOT LIKE SEEING IT MYSELF. MY WIFE AND I ARE DELIGHTED AND EXTREMELY IMPRESSED BY WHAT WE HAVE SEEN. IT WOULD BE REMISS OF US NOT TO INDICATE OUR GRATITUDE TO YOUR VICE FOREIGN MINISTER WHO MET US YESTERDAY, TO OUR HOST AT THE BANQUET AND TO ALL THOSE, INCLUDING MADAME KANG, WHO HAVE SHOWN US THE KINDEST HOSPITALITY.

LI: WHAT YEARS WAS YOUR FATHER IN CHINA?

BAYM: 1943-45, I'M A FARMER BASICALLY AS WELL AS A SENATOR. I HAVE BEEN IMPRESSED BY THE WAY THAT THE GREATEST AMOUNT OF PRODUCTION IS OBTAINED FROM EACH SQUARE CENTIMETER OF GROUND, BY THE INDUSTRIOUS-

NESS OF YOUR PEOPLE AND BY THE DIVERSIFICATION OF YOUR AGRICULTURE. WE HAVE SEEN ALL THIS AS WELL AS YOUR CANCER INSTITUTE, YOUR HOSPITAL, YOUR

INDUSTRIES. IT IS TO SEE THE LEGEND OF CHAIRMAN MAO COME ALIVE. WE CAN THUS REALIZE BETTER THE DEPTH OF THE GRIEF YOUR COUNTRY MUST HAVE AT THE DEATH OF THE CHAIRMAN, AND WE WISH TO CONVEY OUR SYMPATHY.

LI: THANK YOU.

BAYM: I WOULD LIKE TO ASK YOUR THOUGHTS ON A DIFFERENT AREA. YOU HAVE UNDERSTANDABLY TALKED ABOUT DEFENSE AGAINST THE WAR-MAKING POTENTIAL OF THE SOVIET UNION, WHICH IS OF COURSE EXTREMELY IMPORTANT.

WE ARE ALL CONCERNED THAT ANOTHER WAR WITH THE MODERN INSTRUMENTS OF WAR NOW AVAILABLE WOULD BE A HOLOCAUST. I WOULD LIKE TO TALK ABOUT PEACE, I DO NOT WISH TO CONTRADICT ANYTHING

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YOU HAVE SAID BUT WE HAVE HEARD OF THE IMPORTANT
WORK YOU HAVE GIVEN IN ECONOMIC GUIDANCE IN HELPING CHAIRMAN MAO.
I BELIEVE YOU ARE AN ECONOMIC GENIUS. I APPRECIATE YOUR MODESTY, BUT
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FM USLO PEKING

TO RUEHC/SECSTATE WASHDC IMMEDIATE 6791

INFO RUMJDH/AMCONSUL HONG KONG 4018

RUEHMO/AMEMBASSY MOSCOW 507

RUEHTP/AMEMBASSY TAIPEI 878

RUEHKO/AMEMBASSY TOKYO 1762

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C O N F I D E N T I A L SECTION 5 OF 7 PEKING 2368

EXDIS

~~C O R R E C T E D C O P Y~~~~BELIEVE WE CAN SEE YOUR EXPERTISE EVERYWHERE.~~

LI: YOU FLATTER ME.

BAYH: THIS HAS BEEN A LONG PROLOGUE. I WOULD LIKE TO GET YOUR THOUGHT
SON WHAT I THINK OUR WHOLE COUNTRY WOULD LIKE TO KNOW, AS I UNDERSTAND
SOMETIME THIS YEAR YOU WILL PROMULGATE YOUR FIFTH FIVE YEAR PLAN OF
YOUR COUNTRY. ARE THERE ELEMENTS IN THIS PLAN WHICH YOU COULD DISCLOS
E

TO US IN WHICH A CLOSER

RELATIONSHIP OF FRIENDSHIP AND COOPERATION BETWEEN CHINA AND THE US
COULD BE BENEFICIAL? ARE THERE WAYS IN WHICH WE COULD BE OF ASSISTANC
E-- ALTHOUGH I CAN APPRECIATE YOUR STRONG FEELING OF SELF-RELIANCE --
TRADE OPPORTUNITIES, MACHINERY, FACTORIES, EQUIPMENT AND A LARGE
RANGE OF AREAS WHICH COULD BE PART OF THE
CONTINUING RELATIONSHIP BETWEEN OUR TWO COUNTRIES?LI: SPEAKING ABOUT OUR PLAN IS COMPLEX AND INVOLVES LOTS OF
ASPECTS. IT IS DIFFICULT TO DISCUSS IN A SYSTEMATIC WAY.DURING HIS LIFETIME, CHAIRMAN MAO NOT ONLY LAID DOWN THE BASIC
LINE FOR POLICY BUT ALSO THE BASIC LINE ANDPRINCIPLES FOR CONSTRUCTION OF THE COUNTRY. THESE PRINCIPLES WERE
STATED IN THE REPORT BY THE LATE PREMIER CHOU EN-LAI AT THE FOURTH NP
C.HE DISCUSSED THE MODERNIZATION OF INDUSTRY, AGRICULTURE, NATIONAL
DEFENSE, AND SCIENCE AND TECHNOLOGY. IN MAKING ECONOMIC PLANS, WE
MUST FIRST THINK OF THE 800 MILLION PEOPLE AND BEAR

IN MIND THE FOOD, CLOTHING AND HOUSING PROBLEMS OF 800 MILLION PEOPLE

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SO WE PLAN THE ECONOMY IN THE ORDER OF AGRICULTURE, LIGHT INDUSTRY

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AND HEAVY INDUSTRY. THIS WAS CONSISTENT WITH THE TEACHINGS OF CHAIRMAN MAO THAT WE MUST FIRST DEVELOP AGRICULTURE. IF WE DON'T HAVE ENOUGH FOOD FOR OUR PEOPLE, EVEN IF WE IMPORT 10 OR 20 MILLION TONS OF GRAIN

THIS WOULD NOT SOLVE OUR PROBLEM. IF AGRICULTURE IS DEVELOPED, IT IS EASIER TO DEVELOP LIGHT INDUSTRY, AND HEAVY INDUSTRY WILL HAVE A SOLID FOUNDATION. SO WE MAKE OUR PLANS ACCORDING TO THIS PRINCIPLE. WE HAVE A PLAN BUT IT IS NOT YET FINALIZED. WE HAVE NO INTENTION OF MAKING IT PUBLIC. THE PLAN HAS NOT YET MATURED AND IS STILL UNDER DISCUSSION. IN DISCUSSING IT WE MAY FIND NEW PROBLEMS AND REVISE THE PLAN, AS FOR RELATIONS BETWEEN OUR TWO COUNTRIES, ESPECIALLY TRADE, IT REMAINS TO BE SEEN. WE HAVE BOUGHT SOME EQUIPMENT FROM THE US

--SUCH AS CHEMICAL FERTILIZER PLANTS.

BAYH: THE KELLOGG UREA PLANTS.

LI: IT DEPENDS ON WHETHER WE NEED THIS AND ARE ABLE TO DO IT. THE QUESTION OF NECESSITY IS EASY. BUT IF WE ASK OUR MINISTER, HE WILL ASK FOR MANY THINGS. AS FOR OUR ABILITY, THAT IS VERY DIFFICULT, WE DON'T HAVE THE MONEY TO BUY. ON PRINCIPLE WE RELY ON OUR OWN EFFORTS. MAINLY WE RELY ON OUR OWN EFFORTS. WE DO NOT PLAN TO BE IN DEBT. WE WERE ONCE IN DEBT TO THE SOVIET UNION. OUR DEBTS TO THE SOVIET

UNION WERE INCURRED IN 1950-51 DURING THE WAR OF RESISTANCE AGAINST THE U.S. AND TO ASSIST KOREA. WE FOUGHT A WAR IN THAT COUNTRY, OUR TWO COUNTRIES. IT IS NOT PLEASANT TO BE A DEBTOR.

BAYH: IT IS NOT PLEASANT TO BE A CREDITOR OF THE SOVIETS EITHER.

LI: PERHAPS THE SOVIET UNION FINDS IT PLEASANT. THEN WE MADE OUR MINDS UP TO REPAY ALL DEBTS TO THE SOVIET UNION. AFTER THAT WE NEVER INCURRED ANY FOREIGN OR DOMESTIC DEBTS. ONCE WE ISSUED PUBLIC BONDS BUT WE LATER REPAID THEM. SO AS TO TRADE BETWEEN OUR TWO COUNTRIES, WE'LL HAVE TO SEE. I HAVE JUST SAID THAT IT DEPENDS ON NECESSITY AND ABILITY. ANOTHER THING IS YOUR HIGH TARRIFF WHICH IS TROUBLESOME. I THINK IT IS NOT EASY TO SOLVE THIS PROBLEM FOR THE TIME BEING. ROUGHLY THIS IS WHERE WE ARE AT THE PRESENT STAGE. I THINK WE IMPORT MORE FROM THE U.S. THAN YOU DO FROM US.

BAYH: YOU HAVE BEEN VERY KIND AND I APPRECIATE YOUR RESPONSE.

WHAT I ASKED WAS IN RESPECT TO OUR FUTURE RELATIONS. I THINK THAT TO THE EXTENT THAT WE CAN INCREASE TRADE OPPORTUNITIES, PERMIT MORE PEOPLE OF THE US TO VISIT CHINA AND MORE CHINESE TO VISIT THE U.S.

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-- THERE HAS BEEN SOME OF THIS BUT IT SHOULD BE INCREASED -- TO THE EXTENT THAT TRADE AND OTHER OPEN DOOR POLICIES CAN BE PURSUED THEY WILL HELP TO FIND A SOLUTION. THE GROUP HERE IS GOING BACK AS AMBASSADORS OF GOODWILL FOR CHINA.

LI: AT PRESENT THERE ARE LOTS OF EXCHANGES ALREADY.

CURTIS: WE FEEL PRIVILEGED AND APPRECIATE THE OPPORTUNITY TO CARRY ON THIS CONVERSATION WITH YOU. I WOULD LIKE TO EXTEND TO MY COLLEAGUES THE OPPORTUNITY TO SAY SOMETHING OR TO ASK QUESTIONS.

YOUNG: FIRST I WOULD LIKE TO SAY THAT I DEEPLY APPRECIATE THE REAL FRIENDSHIP WHICH WE HAVE RECEIVED WHILE HERE. YOU HAVE OPENED YOUR DOORS TO US AND SHOWED US REAL FRIENDSHIP. I WOULD LIKE TO SAY ALSO THAT NO OTHER NATION IN THE WORLD COULD FEED, CLOTHE, EDUCATE, AND PROVIDE SUCH GOOD CARE OF 800 MILLION PEOPLE, TO DO THIS AND TO STAY OUT OF DEBT IS SOMETHING. WE COULD LEARN A FEW THINGS FROM YOU ABOUT

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TOR: 161709Z NOV 76

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FM USLO PEKING

TO RUEHC/SECSTATE WASHDC IMMEDIATE 6792

INFO RUMJDH/AMCONSUL HONG KONG 4019

RUEHMO/AMEMBASSY MOSCOW 508

RUEHTP/AMEMBASSY TAIPEI 879

RUEHKO/AMEMBASSY TOKYO 1763

BT

C O N F I D E N T I A L SECTION 6 OF 7 PEKING 2368

EXDIS

STAYING OUT OF DEBT. THANK YOU.

HOLLINGS: MR. VICE PREMIER, I APPRECIATE VERY MUCH THE OPPORTUNITY AND I AM PARTICULARLY HONORED TO HAVE THIS CONVERSATION WITH YOU, SINCE YOU ARE WELL KNOWN IN THE U.S. AS ONE OF THE LAST OF THE VETERANS OF THE LONG MARCH AND AS A PARTNER WITH CHAIRMAN MAO AND PREMIER CHOU IN THE MODERNIZATION OF CHINA.

LI: WE'LL WORK STILL HARDER TO BUILD OUR COUNTRY UNDER THE LEADERSHIP OF THE CENTRAL COMMITTEE HEADED BY CHAIRMAN HUA, RELYING ON THE EFFORTS OF THE PEOPLE.

HOLLINGS: AS A SENATOR, I MUST POINT OUT THAT I SPEAK INDIVIDUALLY. WE ARE TOLD THAT ANYTHING A U.S. SENATOR MAY UTTER IS CONSIDERED A POSITION OF THE USG. THAT IS NOT TRUE. EACH ONE OF US SPEAKS FOR HIMSELF. THERE ARE FIVE OTHER SENATORS HERE AND THEY DO NOT SPEAK FOR ME AND I CANNOT SPEAK FOR THEM. I BELIEVE YOU HAVE AN INVESTMENT IN THE TIME AND EFFORT IT TOOK TO BRING ME ALL THE WAY TO CHINA AND I WISH TO SPEAK FRANKLY. SPEAKING FOR MYSELF,

WE BELIEVE IN THE PRINCIPLES OF THE SHANGHAI COMMUNIQUE AND WE BELIEVE WE ARE ADHERING TO THE PRINCIPLES, AND AS THE COMMUNIQUE STATES, AS TENSIONS EASE, WE CAN CONTINUE TO MAKE PROGRESS UNDER THE SHANGHAI COMMUNIQUE. WE BELIEVE THIS TRIP SO GENEROUSLY PROVIDED TO US HAS HELPED TO EASE TENSIONS AND CERTAINLY HAS ENHANCED MY UNDERSTANDING AND APPRECIATION OF CHINA. AS SENATOR, I BELIEVE THAT THERE IS ONE CHINA AND THAT YOU ARE THAT CHINA.

LI: YOU'RE RIGHT.

HOLLINGS: HOWEVER, WE HAVE HAD FRIENDS OF LONG STANDING ON TAIWAN AND AS A SENATOR, I DON'T BELIEVE THE MAJORITY OF THE U.S. SENATORS WOULD ABRUPTLY ABANDON THAT FRIENDSHIP. A JOURNEY OF 1,000 MILES, THEY SAY IN CHINA, BEGINS WITH ONE STEP. I THINK WE SHOULD MAKE STEPS TOGETHER TO TRY TO INCREASE TRADE,

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OPEN AIR ROUTES, AND ON OUR SIDE REDUCE TROOPS ON TAIWAN TO MAKE STEPS TO THE REALIZATION OF THE SHANGHAI COMMUNIQUE PRINCIPLES. WE IN THE US HAVE NEVER BELIEVED IN HEGEMONY. THE FACT IN OUR LONG HISTORY IS THAT WE GAVE FREEDOM TO THE PHILIPPINES AND CUBA.

AFTER WORLD WAR II IN WHICH WE DEFEATED GERMANY, ITALY, AND JAPAN, WE NOT ONLY GAVE THEM FREEDOM BUT ALSO FINANCED THEIR RECOVERY.

LI: PEOPLE IN THE WORLD BELIEVE YOU STILL HAVE SOME HEGEMONY.

HOLLINGS:

WE ABSOLUTELY REFUTE THAT BY OUR OWN ACTS OVER 200 YEARS OF HISTORY. WE WISH NOTHING BUT FREEDOM FOR THE PEOPLES AND I THINK THE U.S. AND CHINA WORKING TOGETHER COULD BRING ABOUT FREEDOM AND ECONOMIC SUSTENANCE TO THE THIRD WORLD.

I'M SURE THIS VISIT HAS SERVED AS A PLATFORM OR STJATING POINT FOR ME AS A SENATOR TO UNDERSTAND AND APPRECIATE THE GREATNESS OF CHINA AND I HOPE SIMILAR VISITS BY YOUR DISTINGUISHED LEADERS TO THE U.S. WILL FOLLOW.

LI: HOW CAN WE GO TO THE US SINCE THE EMBASSY OF THE TAIWAN CLIQUE IS THERE?

HOLLINGS: THAT'S ONE OF THE PROBLEMS WE WILL HAVE TO SOLVE AND WE IN THE SENATE WILL BE WORKING ON THAT PROBLEM.

LI: THE SOLUTION MUST CONFORM TO THE SHANGHAI COMMUNIQUE.

CURTIS: SENATOR STEVENS OF ALASKA.

LI: THAT IS THE NORTHERNMOST STATE.

STEVENS: YES WE ARE. ALASKA IS SOMEWHAT SIMILAR TO YUNNAN PROVINCE WHERE I WAS STATIONED DURING THE WAR. IT MAY INTEREST YOU TO KNOW THAT THOSE OF US IN THE AIR FORCE HERE HAD GREAT RES SECT FOR YOUR PEOPLE IN THE NORTH. MY SQUADRON SUPPLIED YOUR TROOPS AT TIMES. YOU SPEAK THE TRUTH WHEN YOU SAY YOU REALLY FOUGHT THE JAPANESE. WE KNEW THAT AND RESPECTED YOU FOR IT. MY LARGE COLLEAGUE FROM THE SOUTH,

HE SPEAKS CANDIDLY AND WE RESPECT HIS CANDOR. BUT I'D LIKE TO PURSUE HIS POINT. ISN'T THERE SOME WAY WE COULD START THE FLOW OF VISITS BOTH WAYS? WE HAVE DIFFICULTIES IN CONGRESS IN BEING ABLE TO FOLLOW THROUGH ON THE IMPLICATIONS OF THIS RELATIONSHIP BASED ON A LACK OF UNDERSTANDING. YOUR PEOPLE HAVE DOUBLED SINCE I WAS HERE. YOUR HOUSING AND FOOD PROBLEMS HAVE BEEN SOLVED, BUT THAT WORD ISN'T GETTING BACK TO THE U.S. WE NEED MORE OF OUR PEOPLE COMING THIS WAY BUT ALSO MORE OF YOUR PEOPLE COMING TO THE U.S. TO VISIT

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TOR:161709Z NOV 76

COLLEGES, OUR COUNTIES, OUR CITIES, TO INCREASE FRIENDSHIP AND UNDERSTANDING. I HAVE BEEN AMAZED BY THE FRIENDSHIP I HAVE FOUND HERE.

I AM DEEPLY IMPRESSED BY THE SMILES I HAVE SEEN ON THE STREETS HERE BECAUSE I DIDN'T SEE THAT DURING THE WAR. PERHAPS PEOPLE DON'T SMILE DURING WARS. BUT THIS IS A TWO WAY STREET, THIS APPROACH TO NORMALIZATION, SOMEHOW I DON'T SEE MUCH COMING OUR WAY ON THAT TWO-WAY STREET.

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FM USLO PEKING

TO RUEHC/SECSTATE WASHDC IMMEDIATE 6793

INFO RUMJDH/AMCONSUL HONG KONG 4020

RUEHMO/AMEMBASSY MOSCOW 509

RUEHTP/AMEMBASSY TAIPEI 880

RUEHKO/AMEMBASSY TOKYO 1764

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C O N F I D E N T I A L SECTION 7 OF 7 PEKING 2368

EXDIS

LI: IT IS NOT A BAD RECORD HAVING SO MANY PEOPLE VISITING BEFORE COMPLETION OF NORMALIZATION OF RELATIONS. THE FUTURE DEPENDS ON EVENTS, NEVERTHELESS THERE WILL BE EXCHANGES. AS FOR VISITS BY OFFICIALS, OUR RELATIONS ARE NOT YET NORMALIZED. IN WASHINGTON THERE IS STILL THE EMBASSY OF TAIWAN. IF WE GO, BOTH YOU AND WE WILL BE EMBARRASSED. I'VE HEARD VICE FOREIGN MINISTER WANG TOLD YOU THAT THE MAJOR ASPECT IS THE INTERNATIONAL SITUATION, AND THE MINOR QUESTION IS TAIWAN. I THINK SHE PUT THE QUESTION VERY WELL, NEVERTHELESS TAIWAN REMAINS AN ISSUE. I THINK OUR AMERICAN FRIENDS; ESPECIALLY MR. GATES, KNOW OUR VIEWS VERY WELL SO I WON'T DISCUSS THIS ANY MORE.

JOHNSTON: MR, VICE PREMIER, I WOULD LIKE TO ADD MY THANKS FOR THE WARM HOSPITALITY; I AM PARTICULARLY REASSURED AND PLEASED TO LEARN THAT CHAIRMAN HUA IS COMMITTED TO CHAIRMAN MAO'S POLICIES IN CARRYING OUT THE PRINCIPLES OF THE SHANGHAI COMMUNIQUE, AND TO DEVELOP FURTHER RELATIONSHIPS AND COOPERATION BETWEEN OUR TWO COUNTRIES.

LI: YOU ARE RIGHT THAT WE WILL CARRY OUT THE BEHEST OF CHAIRMAN MAO,

JOHNSTON: IN OUR COUNTRY; POLICY DOES NOT TRICKLE DOWN FROM THE TOP BUT COMES UP FROM THE PEOPLE. PRESIDENTS HAVE FOUND THIS OUT IN A COUPLE OF INSTANCES, MOST RECENTLY IN OUR POLICIES IN SOUTHEAST ASIA AND THE MIDDLE EAST, WHAT MY COLLEAGUES ARE TRYING TO SAY IS THAT WE ARE TRYING TO HELP YOU AND YOU MUST HELP US WITH OUR PEOPLE IN DEVELOPING THIS FRIENDSHIP.

CURTIS: MR, VICE PREMIER, THIS HAS BEEN A MOST ENJOYABLE AND HELPFUL OCCASION. I AM GRATEFUL TO YOU FOR HAVING RECEIVED US AND EXPRESS THE GRATITUDE OF ALL OF US FOR THE INVITATION TO BRING OUR WIVES ALONG. THEY ARE A AVERY INFLUENTIAL GROUP AND HAVE ENJOYED IT, ESPECIALLY OUR HOSPITAL TRIP YESTERDAY TO SEE YOUR ADVANCES IN CANCER

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TOR:161728Z NOV 76

TREATMENT, THANK YOU FOR THIS AND I EXPRESS THE GRATITUDE OF ALL
OF US,
LI: YOU SHOULD HAVE ASKED THE LADIES TO SIT IN FRONT.
CURTIS: YOU ARE A VERY WISE MAN.
LI: WE MUST SHOW RESPECT FOR THE LADIES. I WOULD LIKE TO THANK
YOU FOR COMING, FOR HAVING TRAVELLED SO FAR. I EXPRESS
MY WELCOME TO YOU, GATES

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PAGE 01

NC 56754

TOR: 170458Z NOV 76

O R 170030Z NOV 76
FM USLO PEKING
TO RUEHC/SECSTATE WASHDC IMMEDIATE 6795
INFO RUMJDH/AMCONSUL HONG KONG 4021
RUEHMO/AMEMBASSY MOSCOW 510
RUEHTP/AMEMBASSY TAIPEI 881
RUEHKO/AMEMBASSY TOKYO 1765
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TRANSCRIPT

C O N F I D E N T I A L SECTION 1 and 4 OF 4 PEKING 2370

EXDIS

E.O. 11652: XGDS-1

TAGS: PFOR, ECON, CH, US, UR, TW, OREP (CURTIS, CARL)

SUBJECT: TRANSCRIPT OF WANG HAI-JUNG/CODEL CURTIS CONVERSATION

REF: PEKING 2345

1. THERE FOLLOWS NEARLY VERBATIM TRANSCRIPT, CLEARED BY
SENATOR CURTIS, OF CONVERSATION BETWEEN CODEL CURTIS AND
PRC VICE FOREIGN MINISTER WANG HAI-JUNG ON NOVEMBER 13, 4:00 -
5:40 P.M., AT THE FORMER AMERICAN LEGATION. AMERICANS
PRESENT WERE:

CODEL:

SENATOR CARL CURTIS

SENATOR BIRCH BAYH

SENATOR MILTON YOUNG

SENATOR ERNEST HOLLINGS

SENATOR TED STEVENS

SENATOR BENNETT JOHNSON

MR. ROBERT WOLTHUIS

MR. TERRY HOWE

MR. RICHARD HART

USLO:

AMBASSADOR GATES

MR. RICHARD BOCK

PRINCIPAL CHINESE PRESENT, IN ADDITION TO VICE FOREIGN MINISTER
WANG WERE:

TANG WEN-SHENG, DEPUTY DIRECTOR, AMERICAN AND OCEANIAN
DEPARTMENT, MFA

KO PO-NIEN, VICE PRESIDENT, CHINESE PEOPLE'S INSTITUTE OF
FOREIGN AFFAIRS (CPIFA)

KANG TAI-SHA, DEPUTY SECRETARY-GENERAL, CPIFA.

2. WANG: I WOULD LIKE TO EX-2002/08/21 : CIA-RDP83B00100R000100130009-3

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ON BEHALF OF MY COLLEAGUES AND TO THANK THEM FOR COMING SO FAR TO VISIT OUR COUNTRY.

CURTIS: I WOULD LIKE TO EXPRESS MY APPRECIATION FOR THE OPPORTUNITY TO VISIT YOUR COUNTRY. WE HAVE SEEN SOME OF YOUR COUNTRYSIDE AND INDUSTRY AND THE MANNER IN WHICH YOU ARE DEVELOPING YOUR ECONOMY. I ALSO WISH TO EXPRESS MY APPRECIATION FOR YOUR HOSPITALITY.

WANG: YOU ARE OUR FRIENDS AND WHEN YOU COME OVER TO LOOK AT OUR COUNTRY IT HELPS PROMOTE MUTUAL UNDERSTANDING BETWEEN US.

CURTIS: WE VALUE THAT FRIENDSHIP. OUR PEOPLE HAVE A WARM FEELING FOR THE CHINESE PEOPLE. WE ARE HAPPY TO BRING YOU THE GREETINGS FROM THE PRESIDENT OF THE UNITED STATES.

WANG: THANK YOU. IT IS OUR COMMON DESIRE TO DEVELOP FRIENDSHIP BETWEEN THE CHINESE AND AMERICAN PEOPLES.

CURTIS: I THINK THAT IS A MUTUAL DESIRE. WE WERE DELIGHTED WITH YOUR INVITATION TO COME VISIT YOU. WE HAVE SIX SENATORS AND THEIR WIVES, THREE FROM EACH PARTY. THE THREE DEMOCRATIC SENATORS ARE VERY INFLUENTIAL WITHIN THAT PARTY AND CLOSE TO PRESIDENT-ELECT CARTER.

WE ARE HERE NOT ONLY TO SHOW OUR FRIENDSHIP BUT TO LEARN ABOUT YOUR COUNTRY, TO KNOW MORE ABOUT YOUR ECONOMY AND TO MEET WITH YOU AND OTHER LEADERS OF YOUR COUNTRY.

WANG: WELL, HOW SHALL WE PROCEED THIS AFTERNOON?

CURTIS: WE ARE YOUR GUESTS. WHATEVER YOU WISH. WE WILL BE GLAD TO HEAR WHAT YOU HAVE TO SAY.

WANG: IN THAT CASE, WE WELCOME OUR FRIENDS WHO HAVE TRAVELLED SO FAR TO TAKE THE FLOOR FIRST AND TO EXPRESS YOUR VIEWS ON THE INTERNATIONAL SITUATION.

CURTIS: WE FEEL VERY STRONGLY OBLIGATED ON OUR PART FOR THE U.S. TO REMAIN A VERY STRONG POWER. THIS IS NOT ONLY IN OUR INTERESTS BUT ALSO THAT OF OUR FRIENDS. THERE ARE THOSE WHO HAVE GREAT AMBITIONS AND WE HOPE TO MAKE OUR CONTRIBUTION TO WORLD PEACE BY REMAINING THE NUMBER ONE MILITARY POWER. WE FEEL THAT ONE OF THE BIG FACTORS IN WORLD POLITICS AT PRESENT IS THE SUPPLY OF OIL.

IT HAS SHIFTED SOME OF THE POWER. WE ARE PLEASED TO KNOW THAT YOUR OIL PRODUCTION IS INCREASING AND WOULD APPRECIATE KNOWING SOMETHING ABOUT THIS. UNDER OUR SYSTEM OF GOVERNMENT, WE, AS MEMBERS OF THE U.S. SENATE, ARE NOT EMPOWERED TO CARRY OUT OR ADMINISTER FOREIGN AFFAIRS. THAT IS THE RESPONSIBILITY OF THE PRESIDENT AND HIS SECRETARY OF STATE. CONSEQUENTLY, WHILE CERTAIN POLICIES MUST BE

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TOR:170458Z NOV 76

APPROVED BY CONGRESS, WE ARE WITHOUT POWER TO NEGOTIATE WITH FOREIGN COUNTRIES, MAKE PROPOSALS, OR REACT TO THEM. BUT, IN THE END, WHAT OUR PRESIDENT PROPOSES OR WHAT THE SECRETARY OF STATE CARRIES OUT, WE ARE OF COURSE INTERESTED IN. WE WOULD LIKE TO CARRY BACK WITH US SOME OF YOUR IDEAS AND EXPECTATIONS WITH REGARD TO MATTERS OF COMMON INTEREST. WE WOULD BE MOST PLEASED TO HEAR FROM YOU YOUR VIEWS CONCERNING THE CONDUCT AND FUTURE PLANS OF THE SOVIETS.

WANG: WELL, IT IS DIFFICULT FOR US TO SAY ANYTHING ABOUT THE CONDUCT AND FUTURE PLANS OF THE SOVIETS. MAYBE THIS QUESTION CAN BEST BE ANSWERED BY THE CONCRETE ACTIVITIES AND CONDUCT OF THE SOVIETS IN DAYS TO COME. WHAT THE SOVIET UNION SAYS IS ACTUALLY UNBELIEVABLE AND IS MEANT TO DECEIVE PEOPLE. THEY TALK OF SHAM THINGS. THIS CONCLUSION IS DRAWN FROM THE CONDUCT AND ACTIVITIES OF THE SOVIET UNION.

CURTIS: I CAN SHARE YOUR OPINION. I HAVE GREAT DOUBTS OF MANY THINGS THEY SAY. I REGARD THEM AS ADVENTURERS AND A POTENTIAL THREAT. PERHAPS IT WOULD BE BETTER PUT TO ASK WHAT SHOULD BE OUR COURSE OF ACTION WITH REGARD TO THE SOVIET UNION.

WANG: WHAT COURSE THE U.S. WILL TAKE IS A MATTER FOR THE U.S. GOVERNMENT. THE CHINESE GOVERNMENT'S ATTITUDE IS TO EXPOSE THEIR SCHEMES, CRITICIZING AND REPUDIATING THEIR SCHEMES, AND EXPOSING THEIR DECEPTIONS AND FALLACIES AND ADOPTING A TIT-FOR-TAT STRUGGLE AGAINST THEM. IN DEALING WITH SOVIET SOCIAL-IMPERIALISM, CHINA AND THE U.S. HAVE A VERY GREAT POINT IN COMMON. OUR DIFFERENCE OF PRINCIPLE WITH THE SOVIET UNION MUST CONTINUE TO BE CARRIED OUT. BUT THE DEBATE ON PRINCIPLES NEED NOT HINDER AND OBSTRUCT STATE RELATIONS. BUT WE HOLD THAT THE SOVIET SOCIAL-IMPERIALISTS HAVE

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RUEHTP/AMEMBASSY TAIPEI 882
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C O N F I D E N T I A L SECTION 2 OF 4 PEKING 2370

EXDIS
FUNDAMENTALLY BETRAYED THE PRINCIPLES OF MARX AND LENIN AND THEIR
IMPERIALISTIC NATURE WILL NEVER CHANGE.
CURTIS: DO YOU FEEL THE SOVIETS ARE A THREAT TO YOUR BORDER?
WANG: PEOPLE SAY THEY HAVE DEPLOYED ONE MILLION TROOPS ALONG THE
BORDER. ONE MILLION TROOPS ALONG A BORDERLINE OF MORE THAN 7,000
KILOMETERS, WHAT USE IS IT TO STATION SO MANY TROOPS ON SUCH A
LONG BORDERLINE? IF THEY DARE TO MOUNT AN INVASION AGAINST US,
I'M SURE THEY WILL BE ANNIHILATED IN THE GREAT SEA OF A PEOPLE'S
WAR. OUR POLICY IS: "WE WILL NOT ATTACK UNLESS WE ARE ATTACKED.
IF ATTACKED WE WILL CERTAINLY COUNTER-ATTACK." WE HAVE NO FEAR OF
THEM, THE SOVIET THREAT IS MAINLY DIRECTED AGAINST THE U.S.
CURTIS: WHY DO THEY THREATEN THE U.S.?
WANG: BECAUSE THEY WANT TO STRIVE FOR WORLD HEGEMONY. YOU HAVE
INTERESTS IN THE WORLD TO DEFEND AND THE SOVIET UNION SEEKS TO
EXPAND. IN OUR VIEW, SUCH A SITUATION WILL NEVER CHANGE.
CURTIS: I AGREE THAT THEY ARE A SERIOUS ADVERSARY AND I AM
INTERESTED IN YOUR VIEWS REGARDING THEM.
WANG: SUPERFICIALLY, SOVIET SOCIAL-IMPERIALISM APPEARS WILDLY
AMBITIOUS. BUT ACTUALLY THEY ARE VERY WEAK. THE IMPERIALISTIC NATURE
OF THEIR POLICIES CAUSES THEM TO CARRY OUT AGGRESSION, EXPANSION,
AND TO BULLY OTHER COUNTRIES ALL OVER THE WORLD, BUT ESSENTIALLY
THEY ARE WEAK, ALTHOUGH WILDLY AMBITIOUS, IF THEY CONTINUE
TO SEEK WORLD HEGEMONY, THEY LACK THE PHYSICAL STRENGTH AND THEY
ARE MOST UNPOPULAR AMONG THE PEOPLE OF THE WORLD.
CURTIS: WHAT IS THE BASIS OF THEIR WEAKNESS?
WANG: THEY ARE CARRYING OUT FASCIST RULE IN THEIR OWN COUNTRY.
INTERNATIONALLY THEY WANT TO ENSLAVE THE PEOPLES OF OTHER
COUNTRIES. THE IRREGULAR DEVELOPMENT OF INDUSTRY IN THEIR COUNTRY,
THE BAD HARVESTS ARE ALL PART OF THIS. WE LOOK UPON THEM AS
PAPER TIGERS AND PAPER TIGERS ARE ALWAYS WEAK. THEIR WEAKNESS IS

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TOR: 170500Z NOV 76

DECIDED BY THE NATURE OF SOCIAL-IMPERIALISM. WHAT DO YOU THINK?
CURTIS: MY INDIVIDUAL OPINION IS THAT THEY ARE IMPERIALISTS,
PERMIT NO FREEDOM TO THEIR OWN PEOPLE, AND HAVE AMBITIONS TO
DOMINATE IN THE WORLD. DO YOU BELIEVE THE SOVIETS ARE ANXIOUS TO
TAKE MORE TERRITORY?

WANG: THEY ARE SEEKING HEGEMONY.

CURTIS: SHOULD WE BE CONCERNED ABOUT THE SOVIETS' ACTIVITIES
TOWARDS WESTERN EUROPE?

WANG: YES, WE SHOULD, (WANG APPARENTLY MISUNDERSTOOD QUESTION
AS BEING DIRECTED AT CHINESE ATTITUDES. SHE WAS CORRECTED BY
NANCY TANG.)

CURTIS: DO YOU FAVOR THE U.S. POLICY OF STRENGTHENING NATO AND FULL
SUPPORT OF NATO?

WANG: THIS IS AN AFFAIR OF THE U.S. GOVERNMENT. ON OUR PART, WE ENDORSE
THAT THE US AND WESTERN EUROPE SHOULD ESTABLISH A RELATIONSHIP OF
PARTNERSHIP AND EQUALITY; WE ALSO ENDORSE AND HOPE THAT EUROPE
BECOMES UNITED AND STRONG, TODAY THERE ARE MANY COUNTRIES IN
EUROPE AND THEY SEEM TO BE DIVIDED AND TOO SOFT. WE ENDORSE YOUR
EFFORTS TO IMPROVE RELATIONS WITH EUROPE.

CURTIS: OUR DELEGATION WHICH IS HERE AT YOUR GRACIOUS INVITATION
IS A BIPARTISAN ONE AND THE VICE CHAIRMAN IS THE DISTINGUISHED
SENATOR FROM INDIANA, BIRCH BAYH. I WOULD LIKE TO YIELD TO HIM.

WANG: WELCOME,

BAYH: MADAME VICE FOREIGN MINISTER, I ALSO APPRECIATE YOUR
HOSPITALITY AND DON'T WISH TO IMPOSE TO A GREAT EXTENT. FOR
MOST OF US, THIS IS OUR FIRST VISIT TO CHINA. SENATOR STEVENS OF
ALASKA SERVED HERE DURING OUR COMMON EFFORT AGAINST THE JAPANESE AND
MY FATHER WAS IN KUNMING, WE HAVE HEARD WARM REPORTS OF THE
CHINESE PEOPLE BUT THIS IS OUR FIRST EXPOSURE. I MAKE THESE REMARKS
SO THAT YOU WILL UNDERSTAND THAT MY COMMENTS ON BASED ON A LACK OF
FAMILIARITY AND NOT DESIGNED TO BE OFFENSIVE. BOTH OF OUR COUNTRIES
HAVE GONE THROUGH DRAMATIC TIMES IN THE LAST FEW WEEKS. WE SHARE
YOUR GRIEF AT THE LOSS OF YOUR GREAT CHAIRMAN MAO TSE-TUNG. I
WOULD LIKE TO CONVEY OUR SYMPATHY AT HIS PASSING.

IN THE SAME PERIOD, YOU HAVE A NEW CHAIRMAN, MR. HUA. YOU HAVE
ALSO HAD A NATURAL DISASTER AND HAVE DISPLAYED A MARVELOUS ABILITY
TO BOUNCE BACK, AT THE SAME TIME OUR COUNTRY HAS TRIED TO STRENGTHEN
OURSELVES ECONOMICALLY AND WE
HAVE HAD THE QUADRENNIAL EXERCISE OF POLITICAL ELECTIONS. THESE
THINGS ARE NOW BEHIND US FOR BOTH THE US AND CHINA. NOW TO THE

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TOR:170500Z NOV 76

FUTURE. I APOLOGIZE FOR SPEAKING SO LONG. WE HERE OF COURSE WISH TO SUSTAIN THE INITIATIVE TAKEN BY CHAIRMAN MAO, FORMER PRESIDENT NIXON, PREMIER CHOU, AND SECRETARY KISSINGER TO TRY TO MOVE TOWARD NORMAL RELATIONS, NOW WE HAVE NEW LEADERS. WHAT DO YOU SEE IN OUR RELATIONSHIP UNDER CHAIRMAN HUA AS OPPOSED TO THAT UNDER CHAIRMAN MAO? WE READ OF THE GANG OF FOUR HAVING BEEN OPPOSED TO THIS RELATIONSHIP STARTED BY MAO AND CHOU. I THINK WE CAN ALL SPEAK WITH SOME AUTHORITY THAT OUR NEW PRESIDENT IS DETERMINED TO MOVE TOWARD NORMALIZATION UNDER THE PRINCIPLES OF THE SHANGHAI COMMUNIQUE. WE CANNOT BE CERTAIN OF YOUR ATTITUDE, COULD YOU ENLIGHTEN US, PLEASE?

WANG: IT IS TRUE THAT HIS YEAR CHOU EN-LAI, CHAIRMAN CHU TEH OF THE NATIONAL PEOPLE'S CONGRESS AND CHAIRMAN MAO ALL PASSED AWAY UNFORTUNATELY, THE CHINESE PEOPLE WERE DEEPLY GRIEVED IN PARTICULAR WITH THE PASSING AWAY OF OUR GREAT LEADER, CHAIRMAN MAO. BUT I'M SURE YOU WILL BE ABLE TO WITNESS FROM OUR NEWSPAPERS THAT THE CHINESE PEOPLE ARE HEEDING THE CALL BY THE CENTRAL COMMITTEE HEADED BY CHAIRMAN HUA TO TURN GRIEF INTO STRENGTH, THEY ARE ALSO DETERMINED TO CARRY ON THE BEHEST OF CHAIRMAN MAO AND RESOLUTELY IMPLEMENT THE POLICIES AND LINE FORMULATED BY CHAIRMAN MAO, AND TO CARRY THROUGH TO THE END THE REVOLUTIONARY CAUSE PIONEERED BY HIM. CHAIRMAN HUA WAS PERSONALLY SELECTED BY CHAIRMAN MAO BEFORE HE DIED TO BE HIS SUCCESSOR TO THE REVOLUTIONARY CAUSE. CHAIRMAN HUA HAS BEEN LOYAL TO MARX-Leninism-MAO TSE-TUNG THOUGHT. MAYBE YOU HAVE ALSO HEARD OF THE WORDS OF CHAIRMAN MAO WHEN HE WAS ALIVE AND SPOKEN TO CHAIRMAN HUA THAT "WITH YOU IN CHARGE, I'M AT EASE." YOU CAN SEE CHAIRMAN

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RUEHTP/AMEMBASSY TAIPEI 883

RUEHKO/AMEMBASSY TOKYO 1767

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C O N F I D E N T I A L SECTION 3 OF 4 PEKING 2370

EXDIS

HUA IS RESOLUTELY CARRYING OUT AND IMPLEMENTING THE POLICIES FORMULATED BY CHAIRMAN MAO. WITH CHAIRMAN MAO AT EASE, THE 800,000,000 CHINESE PEOPLE ARE EVEN MORE AT EASE BECAUSE THE SUCCESSOR OF THE REVOLUTIONARY CAUSE WAS SELECTED AND ARRANGED BY CHAIRMAN MAO WHILE HE WAS ALIVE. AS TO THE GANG OF FOUR, YOU'VE HEARD OF THEM -- WANG HUNG-WEN, CHANG CHUN-CHIAO, CHIANG CHING, YAO WEN-YUAN -- THEY CONSTITUTE A TVI#

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MOSED HIS THOUGHT,

AND FRANTICALLY OPPOSED THE POLICIES AND LINE FORMULATED FOR US PERSONALLY BY CHAIRMAN MAO. THEY ENGAGED IN SCHEMING ACTIVITIES AND PLOTTED TO USURP PARTY AND STATE POWER. WHEN CHAIRMAN MAO WAS STILL ALIVE, HE CRITICIZED THEM FOR A NUMBER OF YEARS, TRIED TO EDUCATE THEM WHEN HE SAW THEM ENGAGING IN REVISIONISM, SPLITTISM, AND SCHEMING. BECAUSE CHAIRMAN MAO DISCOVERED THIS SCHEME IN TIMELY FASHION AND ACTED AND EXPOSED THEM THEY WERE UNABLE TO SUCCEED WHILE CHAIRMAN MAO WAS ALIVE. WHEN CHAIRMAN MAO PASSED AWAY, THEY AGAIN ENGAGED IN FRENZIED OPPOSITION TO CHAIRMAN HUA, WHO HAD BEEN SELECTED AS SUCCESSOR TO THE REVOLUTIONARY CAUSE BY CHAIRMAN MAO WHEN HE WAS ALIVE. THEY PLOTTED TO USURP THE SUPREME PARTY AND STATE POWER. WHY WERE THEY SO FRENZIEDLY OPPOSED TO CHAIRMAN HUA? JUST BECAUSE CHAIRMAN HUA RESOLUTELY INHERITED THE BEHEST OF CHAIRMAN MAO, RESOLUTELY CARRIED OUT THE POLICIES AND LINE OF CHAIRMAN MAO, AND REMAINS INFINITELY LOYAL TO HIS THOUGHT, CHAIRMAN HUA HAD BEEN WAGING A RESOLUTE STRUGGLE AGAINST THEIR SCHEMING ACTIVITIES. ORIGINALLY, CHAIRMAN MAO WANTED TO SETTLE THE QUESTION OF THE GANG OF FOUR WHILE HE WAS

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ALIVE BUT UNFORTUNATELY BEFORE HE COULD DO SO, HE PASSED AWAY. CHAIRMAN HUA BROUGHT ABOUT THE SOLUTION OF THIS ISSUE WHICH CHAIRMAN MAO WISHED TO BUT WAS UNABLE TO BECAUSE OF HIS DEATH. CHAIRMAN HUA WITH ONE STROKE SMASHED THE PLOT OF THE GANG OF FOUR TO USURP PARTY AND STATE POWER. IN THIS WAY, UNDER THE LEADERSHIP OF THE CENTRAL COMMITTEE HEADED BY CHAIRMAN HUA, WE ARE EVEN MORE DETERMINED TO CARRY OUT THE LINE AND POLICIES OF CHAIRMAN MAO. BAYH: DOES THIS MEAN THAT YOU WILL CONTINUE TO FOLLOW THE PRINCIPLES OF THE SHANGHAI COMMUNIQUE TO MOVE TOWARDS NORMALIZATION? WANG: OF COURSE, THE LINES AND POLICIES FORMULATED BY CHAIRMAN MAO ALSO INCLUDE FOREIGN POLICY AND UNDER THE LEADERSHIP OF THE CENTRAL COMMITTEE HEADED BY CHAIRMAN HUA, WE WILL RESOLUTELY IMPLEMENT SUCH LINES AND POLICIES. ON THE QUESTION OF NORMALIZATION BETWEEN OUR TWO COUNTRIES, AS I HAVE OFTEN STATED TO AMERICAN FRIENDS AND MR. GATES OF THE LIAISON OFFICE UNDERSTANDS WELL, IF BOTH PARTIES ADHERE TO THE PRINCIPLES OF THE SHANGHAI COMMUNIQUE RELATIONS BETWEEN THE U.S. AND CHINA CAN BE IMPROVED. THIS WAS STATED BY PREMIER CHOU IN HIS REPORT TO THE FOURTH NPC. ON THE QUESTION OF NORMALIZATION BETWEEN OUR TWO COUNTRIES, WE HAVE THREE PRINCIPLES WHICH WE HAVE TIME AND AGAIN STATED. I AM SURE YOU ARE FAMILIAR WITH THEM BUT I WOULD LIKE TO CLEARLY STATE THEM FOR YOU. THE THREE PRINCIPLES ARE: SEVER DIPLOMATIC RELATIONS BETWEEN THE U.S. AND TAIWAN; WITHDRAWAL OF AMERICAN TROOPS FROM TAIWAN, AND ABROGATION OF THE SO-CALLED DEFENSE TREATY WITH TAIWAN. THESE ARE INSEPARABLE AND INDISPENSABLE. THERE CAN BE NO OTHER ALTERNATIVE. ON THE QUESTION OF TAIWAN, WE DO NOT BELIEVE IN THE SO-CALLED PEACEFUL TRANSITION. CHAIRMAN TAUGHT US "WHERE THE BROOM DOESN'T REACH, DUST WILL NOT RUN AWAY BY ITSELF." IN TAIWAN, THERE IS STILL A BUNCH OF COUNTER-REVOLUTIONARIES. OUR STAND ON TAIWAN IS THAT WE BASE OURSELVES ON A FOOTING TO FIGHT. AS TO WHEN WE WILL LIBERATE TAIWAN AND THE METHODS WE WILL ADOPT TO LIBERATE TAIWAN, THIS IS PURELY AN INTERNAL MATTER FOR CHINA AND NO OTHER NATION HAS THE RIGHT TO INTERFERE WHATSOEVER. SINCE YOU RAISED THIS ISSUE, I HAVE STATED OUR CONSISTENT STAND VERY CANDIDLY. BAYH: I APPRECIATE YOUR CANDOR. OUR NATION REMAINS COMMITTED TO THE SHANGHAI COMMUNIQUE ALTHOUGH WE REALIZE THERE MIGHT BE SOME DIFFICULTIES. BUT WE ARE DEDICATED TO THIS PURPOSE AND OUR DISTINGUISHED REPRESENTATIVE AMBASSADOR GATES HAS STRESSED TO US THE THREE PRINCIPLES WITH THE VICE FOREIGN MINISTER HAS

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MENTIONED. ONE LAST THING--

AFTER TALKING WITH OUTSTANDING LEADERS LIKE YOURSELF, AND MEETING WITH OUR HOSTS WHO ARE OUTSTANDING AMBASSADORS OF GOOD-WILL, I AM CONVINCED THAT OUR TWO NATIONS HAVE SO MUCH TO OFFER TO EACH OTHER AND TO THE WORLD. I AM CERTAIN THAT IF OUR TWO NATIONS ARE INTERESTED IN SOLVING THESE QUESTIONS, WE CAN FIND A METHOD TO RESOLVE OUR DIFFERENCES.

WANG: BETWEEN FRIENDS, WE CAN HAVE A CANDID EXCHANGE OF VIEWS. BETWEEN CHINA AND THE U.S. THERE ARE MANY COMMON POINTS ON MANY ISSUES. THE BIG ISSUE IS THE INTERNATIONAL ONE, TAIWAN IS A MINOR ISSUE. AMONG THE MANY COMMON

POINTS WE SHARE, THE MOST IMPORTANT IS TO DEAL IN COMMON WITH OUR NORTHERN SO-CALLED ALLY.

BAYH: WE HAVE A SAYING THAT WITH FRIENDS LIKE THAT WE DON'T NEED ENEMIES.

CURTIS: WE DO HAVE SOMETHING VERY MUCH IN COMMON -- THE PROTECTION OF THINGS WE HOLD DEAR AGAINST THE SOVIETS, JUST AS YOU HAVE. THE FACT THAT YOU EXTENDED AN INVITATION TO US AND THAT WE WERE ABLE TO ACCEPT IT HAS LED TO BETTER UNDERSTANDING. I COMMEND YOU ON INVITING US TO VISIT HERE. WE ALSO COMMEND YOU ON YOUR STATEMENT THAT THE LARGE PICTURE IS WORLD AFFAIRS, AND THE WELFARE OF YOUR GREAT COUNTRY AND OUR COUNTRY WITH RESPECT TO THE SOVIET UNION. WE ALSO FEEL THAT WAY. WE ARE PLEASED TO HEAR YOU SAY THAT THE PROBLEM OF TAIWAN IS SECONDARY TO THESE WORLD PROBLEMS. TAIWAN IS A PROBLEM FOR US AS WELL AND WE HOPE THAT EVENTUALLY THERE WILL BE A PEACEFUL SOLUTION.

WANG (SMILING BROADLY): I ALREADY STATED THAT WE DON'T BELIEVE IN PEACEFUL TRANSITION AND THAT HAS ALWAYS BEEN OUR CONSISTENT STAND.

CURTIS: YOU MUST REALIZE THAT WHEN A NATION SUCH AS OURS FOLLOWS A COURSE OF CONDUCT FOR DECADES, IT IS DIFFICULT TO CHANGE. JUST AS YOU HAVE PROBLEMS, WE HAVE PROBLEMS.

BAYH: TIME IS ALL TOO SHORT AND ESPECIALLY I'VE ALREADY HAD SOME TIME TO SPEAK. THIS FIRST VISIT TO CHINA HAS BEEN AN EYE-OPENER. AS MUCH AS I HAD RESPECTED YOUR COUNTRY AND YOUR PEOPLE, I NOW RESPECT THEM EVEN MORE. I AM CONVINCED THAT IT IS POSSIBLE FOR MORE CHINESE TO COME TO THE U.S. I WOULD LIKE TO MAKE A SLIGHT SUGGESTION. I AM CONVINCED IT CAN RESOLVE SOME PROBLEMS.

RELATIONS COULD BE MORE SUPPORTIVE THROUGH BROADER EXCHANGE PROGRAMS, MORE TRADE, AND OTHER WAYS OF GETTING TO KNOW ONE ANOTHER BETTER. WE'VE HAD THIS OPPORTUNITY BUT THERE ARE ONLY SIX OF US.

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IF THERE WERE 600 YOU WOULD HAVE 600 MISSIONARIES GOING BACK.

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 EXDIS

WANG: SINCE THE DOORS BETWEEN CHINA AND THE US WERE OPENED BY YOUR FORMER PRESIDENT NIXON, AND BY CHAIRMAN MAO, AND AFTER THE ISSUANCE OF THE SHANGHAI COMMUNIQUE, THERE HAVE BEEN QUITE A FEW EXCHANGES BETWEEN CHINA AND THE U.S.

CURTIS: YOU HAVE BEEN A MOST GRACIOUS HOSTESS. BEFORE WE END, I WONDER IF MY COLLEAGUES HAVE SOMETHING TO SAY.

YOUNG: WE DEEPLY APPRECIATE THE OPPORTUNITY TO COME TO KNOW YOU BETTER. WE WILL KNOW YOU MORE IN THE FUTURE. THE U.S. IS SPREAD THINLY OVER THE WORLD BUT WE ARE BOUND NOT BECOME SECOND TO THE SOVIET UNION. STILL, THERE ARE PROBLEMS -- THE PHILIPPINES WANT US TO REMOVE OUR BASES. WE HAVE PROBLEMS ALL OVER THE WORLD AND THAT'S WHY WE NEED FRIENDS LIKE YOU.

HOLLINGS: I TOO AM VERY GRATEFUL FOR YOUR HOSPITALITY AND AS SENATOR BAYH HAS POINTED OUT, THIS VISIT HAS BEEN AN EYE OPENER. CHINA HAS A BIG PART OF THE WORLD'S POPULATION AND THE U.S. AND CHINA SHOULD BE WORKING TOGETHER FOR PEACE IN THE FUTURE.

I THANK YOU FOR YOUR TIME AND APPRECIATE THE OPPORTUNITY TO MEET YOU THIS AFTERNOON.

STEVENS: I THANK YOU TOO. THIS HAS BEEN A VERY ENJOYABLE TIME AND IT IS MOST MEMORABLE FOR ME TO COME BACK AGAIN. I WOULD LIKE AT SOME TIME TO EXPLORE WHY WE CANNOT HAVE SOME OF THE STEPS THAT LEAD TOWARDS NORMALIZATION PRIOR TO THE REALIZATION OF THE PRINCIPLES YOU HAVE MENTIONED, SUCH AS AIR ROUTES, EXPANSION OF EXCHANGES. I THINK, AND IT MAY BE IMPORTANT, SOMETIMES I'M NOT SURE YOU ARE FULLY COGNIZANT OF THE DIFFICULTIES WE FACE, AND INCREASED EXCHANGES WOULD HELP YOU BECOME AWARE OF THESE PROBLEMS.

JOHNSTON: MADAME VICE FOREIGN MINISTER, I WOULD LIKE TO ADD MY GRATITUDE TO THAT OF MY COLLEAGUES. ONE QUESTION OF SUBSTANCE IS RELATED TO KOREA. IN THE COMING SESSION OF CONGRESS IN JANUARY, SOME COLLEAGUES WILL BE CALLING FOR THE WITHDRAWAL OF TROOPS

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THERE, MAY WE REPORT TO OUR COLLEAGUES THAT THE RETENTION OF TROOPS AND THE TREATY WITH KOREA WILL NOT BE A MAJOR STUMBLING BLOCK IN IMPLEMENTING THE SHANGHAI COMMUNIQUE OR A BLOCK TO THE IMPROVEMENT OF OUR RELATIONS?

WANG: ON KOREA, OUR STAND IS CONSISTENT. WE SUPPORT THE STAND OF THE DPRK ON INDEPENDENT AND PEACEFUL REUNIFICATION OF KOREA AND THAT ALL US TROOPS SHOULD BE WITHDRAWN AND THE UNC DISBANDED. THE ISSUE OF KOREA

no difference from
"independence"

SHOULD BE LEFT TO THE KOREAN PEOPLE THEMSELVES TO SETTLE. THIS HAS BEEN OUR PRINCIPLED STAND.

CURTIS: AMBASSADOR GATES, DO YOU HAVE SOMETHING TO SAY?

GATES: WE'RE OLD FRIENDS.

WANG: I WELCOME YOUR COMING HERE AND THE EXCHANGE OF VIEWS. THEY WILL HELP PROMOTE MUTUAL UNDERSTANDING BETWEEN US.

CURTIS: WE BELIEVE MUCH AS BEEN GAINED. YOU ARE A CHARMING HOSTESS.

WANG: OUR EXCHANGE OF VIEWS AND DISCUSSION WILL HELP UNDERSTANDING BUT WHEN YOU LEAVE PEKING AND VISIT OTHER PARTS OF OUR COUNTRY YOU WILL UNDERSTAND MORE WHAT HAPPENS IN OUR COUNTRY. YOU CAN WITNESS FOR YOURSELF HOW THE PEOPLE BRING THEIR INITIATIVE INTO FULL PLAY AND RELY ON THEIR OWN EFFORTS TO BRING ABOUT SOCIAL-IST REVOLUTION AND CONSTRUCTION OF OUR COUNTRY.

CURTIS: WE HAVE ALREADY WITNESSED SOME OF THAT. BEFORE WE DEPART, I WOULD LIKE TO SAY THAT FORMER PRESIDENT NIXON ASKED ME TO EXTEND HIS WARMEST GREETINGS.

WANG: I WILL CONVEY THAT TO OUR LEADERS. THANK YOU FOR COMING TO VISIT US.

(AFTER THE SESSION HAD ENDED, WANG CAME UP TO SENATOR CURTIS TO SAY THAT THE CONVERSATION HAD BEEN FRANK AND WAS NOT FOR PUBLICATION.)

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THE DIRECTOR OF
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Executive Registry
76-5706

19 November 1976

National Intelligence Officers

TO:

DCI

NIC/CHINA

FROM:



Sorry I didn't get these to you sooner. The top two USLO cables are summaries of talks that the Curtis Delegation had with Li Hsien-nien and Wang Hai-jung. I've also added the full text of each meeting.

Senator Bayh posed the questions on the Chinese economy to Li at my suggestion. Most analysts here and at State consider the Chinese attitude generally upbeat. The Chinese are not giving anything away but they are generally following the more moderate tone reflected in talks with Schlesinger and Mansfield.

Attachment:

4 Cables



STATINTL

Noted by DCI,
with thanks - 11/21/76

S/DCL